

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Williams, A. offered the following:

2
3 **Amendment (with title amendment)**

4 Remove lines 211-1144 and insert:

5 in positions covered by the Elected Officers' Class are
6 compulsory members of the investment plan, except those who
7 withdraw from the system under s. 121.052(3)(d), or those who
8 participate in an optional retirement program under paragraph
9 (1)(a), paragraph (2)(c), or s. 121.35. Investment plan
10 membership continues if there is subsequent employment in a
11 position covered by another membership class. Membership in the
12 pension plan is not permitted except as provided in s.
13 121.591(2). Employees initially enrolled in the Florida
14 Retirement System prior to July 1, 2015, may retain their

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15 membership in the pension plan or investment plan and are
16 eligible to use the election opportunity specified in s.
17 121.4501(4)(f). Employees initially enrolled on or after July 1,
18 2015, in positions covered by the Elected Officers' Class are
19 not eligible to use the election opportunity specified in s.
20 121.4501(4)(f).

21 (b) Employees eligible to withdraw from the system under
22 s. 121.052(3)(d) may choose to withdraw from the system or to
23 participate in the investment plan as provided in these
24 sections. Employees eligible for optional retirement programs
25 under paragraph (2)(c) or s. 121.35 may choose to participate in
26 the optional retirement program or the investment plan as
27 provided in this paragraph or this section. Eligible employees
28 required to participate pursuant to (1)(a) in the optional
29 retirement program as provided under s. 121.35 must participate
30 in the investment plan when employed in a position not eligible
31 for the optional retirement program.

32 Section 3. Subsections (3) and (5) of section 121.053,
33 Florida Statutes, are amended to read:

34 121.053 Participation in the Elected Officers' Class for
35 retired members.—

36 (3) On or after July 1, 2010:

37 (a) A retiree of a state-administered retirement system
38 who is initially reemployed in ~~elected or appointed for the~~
39 ~~first time to~~ an elective office in a regularly established
40 position with a covered employer may not reenroll in the Florida

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41 Retirement System, except as provided in s. 121.122.

42 (b) An elected officer who is elected or appointed to an
43 elective office and is participating in the Deferred Retirement
44 Option Program is subject to termination as defined in s.
45 121.021 upon completion of his or her DROP participation period.
46 An elected official may defer termination as provided in
47 subsection (7).

48 (5) A Any renewed member, as described in s. 121.122(1),
49 (3), (4), or (5) subsection (1) or subsection (2), who is not
50 receiving the maximum health insurance subsidy provided in s.
51 112.363 is entitled to earn additional credit toward the maximum
52 health insurance subsidy. Any additional subsidy due because of
53 such additional credit may be received only at the time of
54 payment of the second career retirement benefit. The total
55 health insurance subsidy received from initial and renewed
56 membership may not exceed the maximum allowed in s. 112.363.

57 Section 4. Paragraph (a) of subsection (4) of section
58 121.091, Florida Statutes, is amended to read:

59 121.091 Benefits payable under the system.—Benefits may
60 not be paid under this section unless the member has terminated
61 employment as provided in s. 121.021(39) (a) or begun
62 participation in the Deferred Retirement Option Program as
63 provided in subsection (13), and a proper application has been
64 filed in the manner prescribed by the department. The department
65 may cancel an application for retirement benefits when the
66 member or beneficiary fails to timely provide the information

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67 and documents required by this chapter and the department's
68 rules. The department shall adopt rules establishing procedures
69 for application for retirement benefits and for the cancellation
70 of such application when the required information or documents
71 are not received.

72 (4) DISABILITY RETIREMENT BENEFIT.—

73 (a) *Disability retirement; entitlement and effective*
74 *date.*—

75 1.a. A member who becomes totally and permanently
76 disabled, as defined in paragraph (b), after completing 5 years
77 of creditable service, or a member who becomes totally and
78 permanently disabled in the line of duty regardless of service,
79 is entitled to a monthly disability benefit, ~~+~~ except that any
80 member with less than 5 years of creditable service on July 1,
81 1980, or any person who becomes a member of the Florida
82 Retirement System on or after such date must have completed 10
83 years of creditable service before becoming totally and
84 permanently disabled in order to receive disability retirement
85 benefits for a any disability that ~~which~~ occurs other than in
86 the line of duty. However, if a member employed on July 1, 1980,
87 who has less than 5 years of creditable service as of that date
88 becomes totally and permanently disabled after completing 5
89 years of creditable service and is found not to have attained
90 fully insured status for benefits under the federal Social
91 Security Act, such member is entitled to a monthly disability
92 benefit.

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93 b. Effective July 1, 2001, a member of the pension plan
94 initially enrolled before July 1, 2015, who becomes totally and
95 permanently disabled, as defined in paragraph (b), after
96 completing 8 years of creditable service, or a member who
97 becomes totally and permanently disabled in the line of duty
98 regardless of service, is entitled to a monthly disability
99 benefit.

100 c. Effective July 1, 2015, a member of the pension plan
101 initially enrolled on or after July 1, 2015, who becomes totally
102 and permanently disabled, as defined in paragraph (b), after
103 completing 10 years of creditable service, or a member who
104 becomes totally and permanently disabled in the line of duty
105 regardless of service, is entitled to a monthly disability
106 benefit.

107 2. If the division ~~has received from the employer~~ the
108 required documentation of the member's termination of employment
109 from the employer, the effective retirement date for a member
110 who applies and is approved for disability retirement shall be
111 as established by rule of the division.

112 3. For a member who is receiving Workers' Compensation
113 payments, the effective disability retirement date may not
114 precede the date the member reaches Maximum Medical Improvement
115 (MMI), unless the member terminates employment before reaching
116 MMI.

117 Section 5. Subsection (2) of section 121.122, Florida
118 Statutes, is amended, and subsections (3), (4), and (5) are

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119 added to that section, to read:

120 121.122 Renewed membership in system.—

121 (2) Except as otherwise provided in subsections (3)-(5), a
122 retiree of a state-administered retirement system who is
123 initially reemployed in a regularly established position on or
124 after July 1, 2010, may not be enrolled as a renewed member.

125 (3) A retiree of the investment plan, the State University
126 System Optional Retirement Program or the State Community
127 College System Optional Retirement Program who retired before
128 July 1, 2010, but did not complete 10 years of creditable
129 service and is employed in a regularly established position with
130 a covered employer on or after January 1, 2015, shall be a
131 renewed member of the Regular Class of the investment plan
132 regardless of the position held, unless employed in a position
133 eligible for participation in the State University System
134 Optional Retirement Program or the State Community College
135 System Optional Retirement Program as provided in subsections
136 (4) and (5), respectively. The renewed member must satisfy the
137 vesting requirements and other provisions of this chapter.

138 (a) Creditable service, including credit toward the
139 retiree health insurance subsidy provided in s. 112.363, does
140 not accrue for a retiree's employment in a regularly established
141 position with a covered employer from July 1, 2010, through
142 December 31, 2014.

143 (b) Employer and employee contributions, interest,
144 earnings, or any other funds may not be paid into a renewed

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145 member's investment plan account for any employment in a
146 regularly established position with a covered employer from July
147 1, 2010, through December 31, 2014, by the renewed member or the
148 employer on behalf of the member.

149 (c) To be eligible to receive a retirement benefit, the
150 renewed member must satisfy the vesting requirements in s.
151 121.4501(6).

152 (d) The member is ineligible to receive disability
153 benefits as provided in s. 121.091(4) or s. 121.591(2).

154 (e) The member is subject to the reemployment after
155 retirement limitations provided in s. 121.091(9), as applicable.

156 (f) The member must satisfy the requirements for
157 termination from employment provided in s. 121.021(39).

158 (g) Upon the renewed membership or reemployment of a
159 retiree, the employer and the retiree shall pay the applicable
160 employer and employee contributions required under ss. 112.363,
161 121.71, 121.74, and 121.76. The contributions are payable only
162 for employment and salary earned in a regularly established
163 position with a covered employer on or after January 1, 2015.

164 The employer and employee contributions shall be transferred to
165 the investment plan and placed in a default fund as designated
166 by the state board. The retiree may move the contributions once
167 an account is activated in the investment plan.

168 (h) The member may not purchase any past service in the
169 investment plan, including employment in a regularly established
170 position with a covered employer from July 1, 2010, through

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171 December 31, 2014.

172 (i) A renewed member who is a retiree of the investment
173 plan and who is not receiving the maximum health insurance
174 subsidy provided in s. 112.363 is entitled to earn additional
175 credit toward the subsidy. Such credit may be earned only for
176 employment in a regularly established position with a covered
177 employer on or after January 1, 2015. Any additional subsidy due
178 because of additional credit may be received only at the time of
179 paying the second career retirement benefit. The total health
180 insurance subsidy received by a retiree receiving benefits from
181 initial and renewed membership may not exceed the maximum
182 allowed under s. 112.363.

183 (4) A retiree of the investment plan, the State University
184 System Optional Retirement Program, or the State Community
185 College System Optional Retirement Program who retired before
186 July 1, 2010, and is employed in a regularly established
187 position eligible for participation in the State University
188 System Optional Retirement Program on or after January 1, 2015,
189 shall become a renewed member of the optional retirement
190 program. The renewed member must satisfy the vesting
191 requirements and other provisions of this chapter. Once
192 enrolled, a renewed member remains enrolled in the optional
193 retirement program while employed in an eligible position for
194 the optional retirement program. If employment in a different
195 covered position results in the retiree's enrollment in the
196 investment plan, the retiree is no longer eligible to

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197 participate in the optional retirement program unless employed
198 in a mandatory position under s. 121.35.

199 (a) The member is subject to the reemployment after
200 retirement limitations provided in s. 121.091(9), as applicable.

201 (b) The member must satisfy the requirements for
202 termination of employment provided in s. 121.021(39).

203 (c) Upon renewed membership or reemployment of a retiree,
204 the employer and the retiree shall pay the applicable employer
205 and employee contributions required under s. 121.35.

206 (d) The member, or the employer on behalf of the member,
207 may not purchase any prior service in the optional retirement
208 program or employment from July 1, 2010, to December 31, 2014,
209 when renewed membership is not available.

210 (5) A retiree of the investment plan, the State University
211 System Optional Retirement Program, or the State Community
212 College System Optional Retirement Program who retired before
213 July 1, 2010, and is employed in a regularly established
214 position eligible for participation in the State Community
215 College System Optional Retirement Program as provided in s.
216 121.051(2)(c)4. on or after January 1, 2015, shall become a
217 renewed member of the optional retirement program. The renewed
218 member must satisfy the eligibility requirements of this chapter
219 and s. 1012.875 for the optional retirement program. Once
220 enrolled, a renewed member remains enrolled in the optional
221 retirement program while employed in an eligible position for
222 the optional retirement program. If employment in a different

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223 covered position results in the retiree's enrollment in the
224 investment plan, the retiree is no longer eligible to
225 participate in the optional retirement program.

226 (a) The member is subject to the reemployment after
227 retirement limitations provided in s. 121.091(9), as applicable.

228 (b) The member must satisfy the requirements for
229 termination of employment provided in s. 121.021(39).

230 (c) Upon renewed membership or reemployment of a retiree,
231 the employer and the retiree shall pay the applicable employer
232 and employee contributions required under ss. 121.051(2)(c) and
233 1012.875.

234 (d) The member, or the employer on behalf of the member,
235 may not purchase any past service in the optional retirement
236 program or employment accrued from July 1, 2010, to December 31,
237 2014.

238 Section 6. Subsection (1), paragraphs (e) and (i) of
239 subsection (2), paragraph (b) of subsection (3), subsection (4),
240 paragraph (c) of subsection (5), subsection (8), and paragraphs
241 (a), (b), (c), and (h) of subsection (10) of section 121.4501,
242 Florida Statutes, are amended to read:

243 121.4501 Florida Retirement System Investment Plan.—

244 (1) The Trustees of the State Board of Administration
245 shall establish a defined contribution program called the
246 "Florida Retirement System Investment Plan" or "investment plan"
247 for members of the Florida Retirement System under which
248 retirement benefits will be provided for eligible employees who

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249 elect to participate in the program and for employees initially
250 enrolled on or after July 1, 2015, in positions covered by the
251 Elected Officers' Class and are compulsory members of the
252 investment plan unless the member withdraws from the system
253 under s. 121.052(3)(d), or participates in an optional
254 retirement program under s. 121.051(1)(a), s. 121.051(2)(c), or
255 s. 121.35. Investment plan membership continues if there is
256 subsequent employment in a position covered by another
257 membership class. The retirement benefits shall be provided
258 through member-directed investments, in accordance with s.
259 401(a) of the Internal Revenue Code and related regulations. The
260 employer and employee shall make contributions, as provided in
261 this section and ss. 121.571 and 121.71, to the Florida
262 Retirement System Investment Plan Trust Fund toward the funding
263 of benefits.

264 (2) DEFINITIONS.—As used in this part, the term:

265 (e) "Eligible employee" means an officer or employee, as
266 defined in s. 121.021, who:

267 1. Is a member of, or is eligible for membership in, the
268 Florida Retirement System, including any renewed member of the
269 Florida Retirement System initially enrolled before July 1,
270 2010; ~~or~~

271 2. Participates in, or is eligible to participate in, the
272 Senior Management Service Optional Annuity Program as
273 established under s. 121.055(6), the State Community College
274 System Optional Retirement Program as established under s.

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275 121.051(2)(c), or the State University System Optional
276 Retirement Program established under s. 121.35; or
277 3. Is a retired member of the investment plan, the State
278 University System Optional Retirement Program, or the State
279 Community College System Optional Retirement Program who retired
280 before July 1, 2010, and is employed in a regularly established
281 position on or after January 1, 2015, as provided in s. 121.122.
282

283 The term does not include any member participating in the
284 Deferred Retirement Option Program established under s.
285 121.091(13), a retiree of a state-administered retirement system
286 who retired initially reemployed in a regularly established
287 position on or after July 1, 2010, or a mandatory participant of
288 the State University System Optional Retirement Program
289 established under s. 121.35.

290 (i) "Member" or "employee" means an eligible employee who
291 enrolls in, or is defaulted into, the investment plan as
292 provided in subsection (4), a terminated Deferred Retirement
293 Option Program member as described in subsection (21), or a
294 beneficiary or alternate payee of a member or employee.

295 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

296 (b) Notwithstanding paragraph (a), an eligible employee
297 who elects to participate in, or is defaulted into, the
298 investment plan and establishes one or more individual member
299 accounts may elect to transfer to the investment plan a sum
300 representing the present value of the employee's accumulated

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301 benefit obligation under the pension plan, except as provided in
302 paragraph (4) (b). Upon transfer, all service credit earned under
303 the pension plan is nullified for purposes of entitlement to a
304 future benefit under the pension plan. A member may not transfer
305 the accumulated benefit obligation balance from the pension plan
306 after the time period for enrolling in the investment plan has
307 expired.

308 1. For purposes of this subsection, the present value of
309 the member's accumulated benefit obligation is based upon the
310 member's estimated creditable service and estimated average
311 final compensation under the pension plan, subject to
312 recomputation under subparagraph 2. For state employees, initial
313 estimates shall be based upon creditable service and average
314 final compensation as of midnight on June 30, 2002; for district
315 school board employees, initial estimates shall be based upon
316 creditable service and average final compensation as of midnight
317 on September 30, 2002; and for local government employees,
318 initial estimates shall be based upon creditable service and
319 average final compensation as of midnight on December 31, 2002.
320 The dates specified are the "estimate date" for these employees.
321 The actuarial present value of the employee's accumulated
322 benefit obligation shall be based on the following:

323 a. The discount rate and other relevant actuarial
324 assumptions used to value the Florida Retirement System Trust
325 Fund at the time the amount to be transferred is determined,
326 consistent with the factors provided in sub-subparagraphs b. and

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- 327 c.
- 328 b. A benefit commencement age, based on the member's
329 estimated creditable service as of the estimate date.
- 330 c. Except as provided under sub-subparagraph d., for a
331 member initially enrolled:
- 332 (I) Before July 1, 2011, the benefit commencement age is
333 the younger of the following, but may not be younger than the
334 member's age as of the estimate date:
- 335 (A) Age 62; or
- 336 (B) The age the member would attain if the member
337 completed 30 years of service with an employer, assuming the
338 member worked continuously from the estimate date, and
339 disregarding any vesting requirement that would otherwise apply
340 under the pension plan.
- 341 (II) On or after July 1, 2011, the benefit commencement
342 age is the younger of the following, but may not be younger than
343 the member's age as of the estimate date:
- 344 (A) Age 65; or
- 345 (B) The age the member would attain if the member
346 completed 33 years of service with an employer, assuming the
347 member worked continuously from the estimate date, and
348 disregarding any vesting requirement that would otherwise apply
349 under the pension plan.
- 350 d. For members of the Special Risk Class and for members
351 of the Special Risk Administrative Support Class entitled to
352 retain the special risk normal retirement date:

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353 (I) Initially enrolled before July 1, 2011, the benefit
354 commencement age is the younger of the following, but may not be
355 younger than the member's age as of the estimate date:

356 (A) Age 55; or

357 (B) The age the member would attain if the member
358 completed 25 years of service with an employer, assuming the
359 member worked continuously from the estimate date, and
360 disregarding any vesting requirement that would otherwise apply
361 under the pension plan.

362 (II) Initially enrolled on or after July 1, 2011, the
363 benefit commencement age is the younger of the following, but
364 may not be younger than the member's age as of the estimate
365 date:

366 (A) Age 60; or

367 (B) The age the member would attain if the member
368 completed 30 years of service with an employer, assuming the
369 member worked continuously from the estimate date, and
370 disregarding any vesting requirement that would otherwise apply
371 under the pension plan.

372 e. The calculation must disregard vesting requirements and
373 early retirement reduction factors that would otherwise apply
374 under the pension plan.

375 2. For each member who elects to transfer moneys from the
376 pension plan to his or her account in the investment plan, the
377 division shall recompute the amount transferred under
378 subparagraph 1. within 60 days after the actual transfer of

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379 funds based upon the member's actual creditable service and
380 actual final average compensation as of the initial date of
381 participation in the investment plan. If the recomputed amount
382 differs from the amount transferred by \$10 or more, the division
383 shall:

384 a. Transfer, or cause to be transferred, from the Florida
385 Retirement System Trust Fund to the member's account the excess,
386 if any, of the recomputed amount over the previously transferred
387 amount together with interest from the initial date of transfer
388 to the date of transfer under this subparagraph, based upon the
389 effective annual interest equal to the assumed return on the
390 actuarial investment which was used in the most recent actuarial
391 valuation of the system, compounded annually.

392 b. Transfer, or cause to be transferred, from the member's
393 account to the Florida Retirement System Trust Fund the excess,
394 if any, of the previously transferred amount over the recomputed
395 amount, together with interest from the initial date of transfer
396 to the date of transfer under this subparagraph, based upon 6
397 percent effective annual interest, compounded annually, pro rata
398 based on the member's allocation plan.

399 3. If contribution adjustments are made as a result of
400 employer errors or corrections, including plan corrections,
401 following recomputation of the amount transferred under
402 subparagraph 1., the member is entitled to the additional
403 contributions or is responsible for returning any excess
404 contributions resulting from the correction. However, a ~~any~~

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405 return of such erroneous excess pretax contribution by the plan
406 must be made within the period allowed by the Internal Revenue
407 Service. The present value of the member's accumulated benefit
408 obligation may ~~shall~~ not be recalculated.

409 4. As directed by the member, the state board shall
410 transfer or cause to be transferred the appropriate amounts to
411 the designated accounts within 30 days after the effective date
412 of the member's participation in the investment plan unless the
413 major financial markets for securities available for a transfer
414 are seriously disrupted by an unforeseen event that causes the
415 suspension of trading on a ~~any~~ national securities exchange in
416 the country where the securities were issued. In that event, the
417 30-day period may be extended by a resolution of the state
418 board. Transfers are not commissionable or subject to other fees
419 and may be in the form of securities or cash, as determined by
420 the state board. Such securities are valued as of the date of
421 receipt in the member's account.

422 5. If the state board or the division receives
423 notification from the United States Internal Revenue Service
424 that this paragraph or any portion of this paragraph will cause
425 the retirement system, or a portion thereof, to be disqualified
426 for tax purposes under the Internal Revenue Code, the portion
427 that will cause the disqualification does not apply. Upon such
428 notice, the state board and the division shall notify the
429 presiding officers of the Legislature.

430 (4) PARTICIPATION; ENROLLMENT.—

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431 (a)1. Effective June 1, 2002, through February 28, 2003, a
432 90-day election period was provided to each eligible employee
433 participating in the Florida Retirement System, preceded by a
434 90-day education period, permitting each eligible employee to
435 elect membership in the investment plan, and an employee who
436 failed to elect the investment plan during the election period
437 remained in the pension plan. An eligible employee who was
438 employed in a regularly established position during the election
439 period was granted the option to make one subsequent election,
440 as provided in paragraph (f). With respect to an eligible
441 employee who did not participate in the initial election period
442 or who is initially ~~employee who is~~ employed in a regularly
443 established position after the close of the initial election
444 period but before July 1, 2015, ~~on June 1, 2002, by a state~~
445 ~~employer:~~

446 ~~a. Any such employee may elect to participate in the~~
447 ~~investment plan in lieu of retaining his or her membership in~~
448 ~~the pension plan. The election must be made in writing or by~~
449 ~~electronic means and must be filed with the third party~~
450 ~~administrator by August 31, 2002, or, in the case of an active~~
451 ~~employee who is on a leave of absence on April 1, 2002, by the~~
452 ~~last business day of the 5th month following the month the leave~~
453 ~~of absence concludes. This election is irrevocable, except as~~
454 ~~provided in paragraph (g). Upon making such election, the~~
455 ~~employee shall be enrolled as a member of the investment plan,~~
456 ~~the employee's membership in the Florida Retirement System is~~

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457 ~~governed by the provisions of this part, and the employee's~~
458 ~~membership in the pension plan terminates. The employee's~~
459 ~~enrollment in the investment plan is effective the first day of~~
460 ~~the month for which a full month's employer contribution is made~~
461 ~~to the investment plan.~~

462 ~~b. Any such employee who fails to elect to participate in~~
463 ~~the investment plan within the prescribed time period is deemed~~
464 ~~to have elected to retain membership in the pension plan, and~~
465 ~~the employee's option to elect to participate in the investment~~
466 ~~plan is forfeited.~~

467 ~~2. With respect to employees who become eligible to~~
468 ~~participate in the investment plan by reason of employment in a~~
469 ~~regularly established position with a state employer commencing~~
470 ~~after April 1, 2002:~~

471 ~~a. Any such employee shall, by default, be enrolled in the~~
472 ~~pension plan at the commencement of employment, and may, by the~~
473 ~~last business day of the 5th month following the employee's~~
474 ~~month of hire, elect to participate in the investment plan. The~~
475 ~~employee's election must be made in writing or by electronic~~
476 ~~means and must be filed with the third-party administrator. The~~
477 ~~election to participate in the investment plan is irrevocable,~~
478 ~~except as provided in paragraph (f) (g).~~

479 ~~a.b.~~ If the employee files such election within the
480 prescribed time period, enrollment in the investment plan is
481 effective on the first day of employment. The retirement
482 contributions paid through the month of the employee plan change

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483 shall be transferred to the investment program, and, effective
484 the first day of the next month, the employer and employee must
485 pay the applicable contributions based on the employee
486 membership class in the program.

487 ~~b.e.~~ An employee who fails to elect to participate in the
488 investment plan within the prescribed time period is deemed to
489 have elected to retain membership in the pension plan, and the
490 employee's option to elect to participate in the investment plan
491 is forfeited.

492 ~~2.3.~~ With respect to employees who become eligible to
493 participate in the investment plan pursuant to s.
494 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
495 participate in the investment plan in lieu of retaining his or
496 her membership in the State Community College System Optional
497 Retirement Program or the State University System Optional
498 Retirement Program. The election must be ~~made~~ in writing or by
499 electronic means and must be filed with the third-party
500 administrator. This election is irrevocable, except as provided
501 in paragraph (f) ~~(g)~~. Upon making such election, the employee
502 shall be enrolled as a member in the investment plan, the
503 employee's membership in the Florida Retirement System is
504 governed by the provisions of this part, and the employee's
505 participation in the State Community College System Optional
506 Retirement Program or the State University System Optional
507 Retirement Program terminates. The employee's enrollment in the
508 investment plan is effective on the first day of the month for

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509 which a full month's employer and employee contribution is made
510 to the investment plan.

511 (b)1. With respect to employees who become eligible to
512 participate in the investment plan, except as provided in
513 paragraph (g), by reason of employment in a regularly
514 established position commencing on or after July 1, 2015, any
515 such employee shall be enrolled in the pension plan at the
516 commencement of employment and may, by the last business day of
517 the 8th month following the employee's month of hire, elect to
518 participate in the pension plan or the investment plan. Eligible
519 employees may make a plan election only if they are earning
520 service credit in an employer-employee relationship consistent
521 with s. 121.021(17) (b), excluding leaves of absence without pay.

522 2. The employee's election must be made in writing or by
523 electronic means and must be filed with the third-party
524 administrator. The election to participate in the pension plan
525 or investment plan is irrevocable, except as provided in
526 paragraph (f).

527 3. If the employee fails to make an election of the
528 pension plan or investment plan within 8 months following the
529 month of hire, the employee is deemed to have elected the
530 investment plan and will be defaulted into the investment plan
531 retroactively to the employee's date of employment. The
532 employee's option to participate in the pension plan is
533 forfeited, except as provided in paragraph (f).

534 4. The amount of the employee and employer contributions

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535 paid before the default to the investment plan shall be
536 transferred to the investment plan and shall be placed in a
537 default fund as designated by the State Board of Administration.
538 The employee may move the contributions once an account is
539 activated in the investment plan.

540 5. Effective the first day of the month after an eligible
541 employee makes a plan election of the pension plan or investment
542 plan, or after the month of default to the investment plan, the
543 employee and employer shall pay the applicable contributions
544 based on the employee membership class in the program.

545 ~~4. For purposes of this paragraph, "state employer" means~~
546 ~~any agency, board, branch, commission, community college,~~
547 ~~department, institution, institution of higher education, or~~
548 ~~water management district of the state, which participates in~~
549 ~~the Florida Retirement System for the benefit of certain~~
550 ~~employees.~~

551 ~~(b)1. With respect to an eligible employee who is employed~~
552 ~~in a regularly established position on September 1, 2002, by a~~
553 ~~district school board employer:~~

554 ~~a. Any such employee may elect to participate in the~~
555 ~~investment plan in lieu of retaining his or her membership in~~
556 ~~the pension plan. The election must be made in writing or by~~
557 ~~electronic means and must be filed with the third party~~
558 ~~administrator by November 30, or, in the case of an active~~
559 ~~employee who is on a leave of absence on July 1, 2002, by the~~
560 ~~last business day of the 5th month following the month the leave~~

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561 ~~of absence concludes. This election is irrevocable, except as~~
562 ~~provided in paragraph (g). Upon making such election, the~~
563 ~~employee shall be enrolled as a member of the investment plan,~~
564 ~~the employee's membership in the Florida Retirement System is~~
565 ~~governed by the provisions of this part, and the employee's~~
566 ~~membership in the pension plan terminates. The employee's~~
567 ~~enrollment in the investment plan is effective the first day of~~
568 ~~the month for which a full month's employer contribution is made~~
569 ~~to the investment program.~~

570 ~~b. Any such employee who fails to elect to participate in~~
571 ~~the investment plan within the prescribed time period is deemed~~
572 ~~to have elected to retain membership in the pension plan, and~~
573 ~~the employee's option to elect to participate in the investment~~
574 ~~plan is forfeited.~~

575 ~~2. With respect to employees who become eligible to~~
576 ~~participate in the investment plan by reason of employment in a~~
577 ~~regularly established position with a district school board~~
578 ~~employer commencing after July 1, 2002:~~

579 ~~a. Any such employee shall, by default, be enrolled in the~~
580 ~~pension plan at the commencement of employment, and may, by the~~
581 ~~last business day of the 5th month following the employee's~~
582 ~~month of hire, elect to participate in the investment plan. The~~
583 ~~employee's election must be made in writing or by electronic~~
584 ~~means and must be filed with the third-party administrator. The~~
585 ~~election to participate in the investment plan is irrevocable,~~
586 ~~except as provided in paragraph (g).~~

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587 ~~b. If the employee files such election within the~~
588 ~~prescribed time period, enrollment in the investment plan is~~
589 ~~effective on the first day of employment. The employer~~
590 ~~retirement contributions paid through the month of the employee~~
591 ~~plan change shall be transferred to the investment plan, and,~~
592 ~~effective the first day of the next month, the employer shall~~
593 ~~pay the applicable contributions based on the employee~~
594 ~~membership class in the investment plan.~~

595 ~~e. Any such employee who fails to elect to participate in~~
596 ~~the investment plan within the prescribed time period is deemed~~
597 ~~to have elected to retain membership in the pension plan, and~~
598 ~~the employee's option to elect to participate in the investment~~
599 ~~plan is forfeited.~~

600 ~~3. For purposes of this paragraph, "district school board~~
601 ~~employer" means any district school board that participates in~~
602 ~~the Florida Retirement System for the benefit of certain~~
603 ~~employees, or a charter school or charter technical career~~
604 ~~center that participates in the Florida Retirement System as~~
605 ~~provided in s. 121.051(2) (d).~~

606 ~~(c)1. With respect to an eligible employee who is employed~~
607 ~~in a regularly established position on December 1, 2002, by a~~
608 ~~local employer:~~

609 ~~a. Any such employee may elect to participate in the~~
610 ~~investment plan in lieu of retaining his or her membership in~~
611 ~~the pension plan. The election must be made in writing or by~~
612 ~~electronic means and must be filed with the third-party~~

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613 ~~administrator by February 28, 2003, or, in the case of an active~~
614 ~~employee who is on a leave of absence on October 1, 2002, by the~~
615 ~~last business day of the 5th month following the month the leave~~
616 ~~of absence concludes. This election is irrevocable, except as~~
617 ~~provided in paragraph (g). Upon making such election, the~~
618 ~~employee shall be enrolled as a participant of the investment~~
619 ~~plan, the employee's membership in the Florida Retirement System~~
620 ~~is governed by the provisions of this part, and the employee's~~
621 ~~membership in the pension plan terminates. The employee's~~
622 ~~enrollment in the investment plan is effective the first day of~~
623 ~~the month for which a full month's employer contribution is made~~
624 ~~to the investment plan.~~

625 ~~b. Any such employee who fails to elect to participate in~~
626 ~~the investment plan within the prescribed time period is deemed~~
627 ~~to have elected to retain membership in the pension plan, and~~
628 ~~the employee's option to elect to participate in the investment~~
629 ~~plan is forfeited.~~

630 ~~2. With respect to employees who become eligible to~~
631 ~~participate in the investment plan by reason of employment in a~~
632 ~~regularly established position with a local employer commencing~~
633 ~~after October 1, 2002:~~

634 ~~a. Any such employee shall, by default, be enrolled in the~~
635 ~~pension plan at the commencement of employment, and may, by the~~
636 ~~last business day of the 5th month following the employee's~~
637 ~~month of hire, elect to participate in the investment plan. The~~
638 ~~employee's election must be made in writing or by electronic~~

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639 ~~means and must be filed with the third-party administrator. The~~
640 ~~election to participate in the investment plan is irrevocable,~~
641 ~~except as provided in paragraph (g).~~

642 ~~b. If the employee files such election within the~~
643 ~~prescribed time period, enrollment in the investment plan is~~
644 ~~effective on the first day of employment. The employer~~
645 ~~retirement contributions paid through the month of the employee~~
646 ~~plan change shall be transferred to the investment plan, and,~~
647 ~~effective the first day of the next month, the employer shall~~
648 ~~pay the applicable contributions based on the employee~~
649 ~~membership class in the investment plan.~~

650 ~~e. Any such employee who fails to elect to participate in~~
651 ~~the investment plan within the prescribed time period is deemed~~
652 ~~to have elected to retain membership in the pension plan, and~~
653 ~~the employee's option to elect to participate in the investment~~
654 ~~plan is forfeited.~~

655 ~~3. For purposes of this paragraph, "local employer" means~~
656 ~~any employer not included in paragraph (a) or paragraph (b).~~

657 ~~(c)(d)~~ Contributions available for self-direction by a
658 member who has not selected one or more specific investment
659 products shall be allocated as prescribed by the state board.
660 The third-party administrator shall notify the member at least
661 quarterly that the member should take an affirmative action to
662 make an asset allocation among the investment products.

663 ~~(d)(e)~~ On or after July 1, 2011, a member of the pension
664 plan who obtains a refund of employee contributions retains his

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665 or her prior plan choice upon return to employment in a
666 regularly established position with a participating employer.

667 (e)~~(f)~~ A member of the investment plan who takes a
668 distribution of any contributions from his or her investment
669 plan account is considered a retiree. A member ~~retiree~~ who
670 retires ~~is initially reemployed in a regularly established~~
671 ~~position~~ on or after July 1, 2010, is not eligible to be
672 enrolled in renewed membership. A member who retired before July
673 1, 2010, and is employed on or after January 1, 2015, in a
674 regularly established position shall be a renewed member as
675 provided in s. 121.122, except that a retiree who has returned
676 to covered employment before July 1, 2010, may continue
677 membership in the plan he or she chooses.

678 (f)~~(g)~~ After the period during which an eligible employee
679 had the choice to elect the pension plan or the investment plan,
680 or the month following the receipt of the eligible employee's
681 plan election, if sooner, the employee shall have one
682 opportunity, at the employee's discretion, to choose to move
683 from the pension plan to the investment plan or from the
684 investment plan to the pension plan. Eligible employees may
685 elect to move between plans only if they are earning service
686 credit in an employer-employee relationship consistent with s.
687 121.021(17)(b), excluding leaves of absence without pay.
688 Effective July 1, 2005, such elections are effective on the
689 first day of the month following the receipt of the election by
690 the third-party administrator and are not subject to the

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691 requirements regarding an employer-employee relationship or
692 receipt of contributions for the eligible employee in the
693 effective month, except when the election is received by the
694 third-party administrator. This paragraph is contingent upon
695 approval by the Internal Revenue Service. This paragraph does
696 not apply to compulsory investment plan members under paragraph
697 (g).

698 1. If the employee chooses to move to the investment plan,
699 the provisions of subsection (3) govern the transfer.

700 2. If the employee chooses to move to the pension plan,
701 the employee must transfer from his or her investment plan
702 account, and from other employee moneys as necessary, a sum
703 representing the present value of that employee's accumulated
704 benefit obligation immediately following the time of such
705 movement, determined assuming that attained service equals the
706 sum of service in the pension plan and service in the investment
707 plan. Benefit commencement occurs on the first date the employee
708 is eligible for unreduced benefits, using the discount rate and
709 other relevant actuarial assumptions that were used to value the
710 pension plan liabilities in the most recent actuarial valuation.
711 For any employee who, at the time of the second election,
712 already maintains an accrued benefit amount in the pension plan,
713 the then-present value of the accrued benefit is deemed part of
714 the required transfer amount. The division must ensure that the
715 transfer sum is prepared using a formula and methodology
716 certified by an enrolled actuary. A refund of any employee

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717 contributions or additional member payments made which exceed
718 the employee contributions that would have accrued had the
719 member remained in the pension plan and not transferred to the
720 investment plan is not permitted.

721 3. Notwithstanding subparagraph 2., an employee who
722 chooses to move to the pension plan and who became eligible to
723 participate in the investment plan by reason of employment in a
724 regularly established position with a state employer after June
725 1, 2002; a district school board employer after September 1,
726 2002; or a local employer after December 1, 2002, must transfer
727 from his or her investment plan account, and from other employee
728 moneys as necessary, a sum representing the employee's actuarial
729 accrued liability. A refund of any employee contributions or
730 additional member ~~participant~~ payments made which exceed the
731 employee contributions that would have accrued had the member
732 remained in the pension plan and not transferred to the
733 investment plan is not permitted.

734 4. An employee's ability to transfer from the pension plan
735 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~
736 ~~(d)~~, and the ability of a current employee to have an option to
737 later transfer back into the pension plan under subparagraph 2.,
738 shall be deemed a significant system amendment. Pursuant to s.
739 121.031(4), any resulting unfunded liability arising from actual
740 original transfers from the pension plan to the investment plan
741 must be amortized within 30 plan years as a separate unfunded
742 actuarial base independent of the reserve stabilization

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743 mechanism defined in s. 121.031(3)(f). For the first 25 years, a
744 direct amortization payment may not be calculated for this base.
745 During this 25-year period, the separate base shall be used to
746 offset the impact of employees exercising their second program
747 election under this paragraph. The actuarial funded status of
748 the pension plan will not be affected by such second program
749 elections in any significant manner, after due recognition of
750 the separate unfunded actuarial base. Following the initial 25-
751 year period, any remaining balance of the original separate base
752 shall be amortized over the remaining 5 years of the required
753 30-year amortization period.

754 5. If the employee chooses to transfer from the investment
755 plan to the pension plan and retains an excess account balance
756 in the investment plan after satisfying the buy-in requirements
757 under this paragraph, the excess may not be distributed until
758 the member retires from the pension plan. The excess account
759 balance may be rolled over to the pension plan and used to
760 purchase service credit or upgrade creditable service in the
761 pension plan.

762 (g)1. All employees initially enrolled on or after July 1,
763 2015, in positions covered by the Elected Officers' Class are
764 compulsory members of the investment plan, except those who
765 withdraw from the system under s. 121.052(3)(d), or those who
766 participate in an optional retirement program under s.
767 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees
768 eligible to withdraw from the system under s. 121.052(3)(d) may

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769 choose to withdraw from the system or to participate in the
770 investment plan as provided in those sections. Employees
771 eligible for optional retirement programs under s. 121.051(2)(c)
772 or s. 121.35, except as provided in s. 121.051(1)(a), may choose
773 to participate in the optional retirement program or the
774 investment plan as provided in those sections. Investment plan
775 membership continues if there is subsequent employment in a
776 position covered by another membership class. Membership in the
777 pension plan is not permitted except as provided in s.
778 121.591(2). Employees initially enrolled in the Florida
779 Retirement System prior to July 1, 2015, may retain their
780 membership in the pension plan or investment plan and are
781 eligible to use the election opportunity specified in s.
782 121.4501(4)(f).

783 2. Employees initially enrolled on or after July 1, 2015,
784 in a position covered by the Elected Officers' Class are not
785 permitted to use the

786
787 -----

T I T L E A M E N D M E N T

789 Remove lines 10-28 and insert:
790 employees in the Elected Officers' Class initially
791 enrolled after a specified date; amending s. 121.053,
792 F.S.; authorizing renewed membership in the retirement
793 system for retirees who are reemployed in a position

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794 eligible for the Elected Officers' Class under certain
795 circumstances; amending s. 121.091,

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